

Investment Section

Report On Investment Activity

Prepared by the Washington State Investment Board

Overview

The State Investment Board (SIB) manages retirement fund assets to maximize return at a prudent level of risk (chapter 43.33A.110 RCW). Investment decisions are made within the framework of a Strategic Asset Allocation Policy, and a series of written SIB-adopted investment policies for the various asset classes in which SIB invests.

The Retirement Funds, collectively called the Commingled Trust Fund (CTF), decreased in value by \$3.93 billion during fiscal 2002 to \$38.97 billion. The CTF return was negative 6.40 percent for the fiscal year.

Performance

The chart below shows the returns for the CTF on a total fund basis, as well as by asset class. Appropriate benchmark returns are provided for comparison purposes.

| | Periods Ending 6/30/2002 | | |
|------------------------|--------------------------|---------------|---------------|
| | 1 Year | 3 Year | 5 Year |
| TOTAL FUND | (6.40) | 0.17 | 5.53 |
| TUCS Public Fund | | | |
| > \$1B Median | (6.17) | (0.60) | 4.93 |
| U.S. Equity | (16.88) | (7.66) | 3.91 |
| Wilshire 5000 | (16.62) | (8.21) | 3.57 |
| Non-U.S. Equity | (7.41) | (3.67) | (1.78) |
| MSCI ACWI Free ex-U.S. | (8.17) | (6.16) | (1.70) |
| Fixed Income | 6.56 | 7.70 | 7.34 |
| Lehman Aggregate | 8.63 | 8.11 | 7.57 |
| Liquidity | 1.90 | 1.77 | 3.29 |
| 90 Day T-Bills | 2.63 | 4.58 | 4.82 |
| Real Estate | 9.83 | 11.55 | 11.21 |
| NCREIF | 5.60 | 9.56 | 11.74 |
| Private Equity | (12.90) | 4.36 | 8.87 |

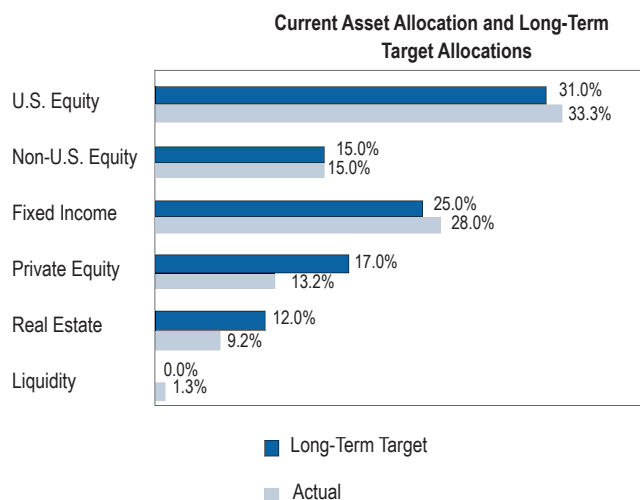
Performance information is compiled by the custodian, State Street Bank and Trust. Performance numbers are reported net of management fees, and are prepared using a time-weighted rate of return based on the current market value using the Association for Investment Management and Research (AIMR) Standards.

Asset Allocation

Investment performance is a result of two primary factors: individual asset selection and the allocation of the portfolio among asset classes (e.g. stocks, fixed income, real estate). Studies suggest that more than 90 percent of investment performance can be explained by asset allocation decision.

Accordingly, the SIB sets a specific long-term target asset mix and adopts tight ranges around those targets to control the overall risk and return of the CTF. On a daily basis, the SIB reviews the asset allocation in relation to the established ranges. The staff shifts assets whenever the allocation range for an asset exceeds the approved range or when cash is needed elsewhere. The SIB reviews changes to the overall asset mix every three to four years.

The chart below shows the CTF's asset allocation as of June 30, 2002, as well as the long-term target allocations.



U.S. Equity

The U.S. Equity portfolio is structured to capture the returns of the broad U.S. equity market as measured by the Wilshire 5000 Index. The index is comprised of all U.S. domiciled common equities for which pricing information is readily available, and currently represents more than 5,800 companies. The portfolio is managed externally using a passive management strategy, that closely tracks the index.

Retirement Fund's Ten Largest U.S. Equity Holdings as of 6/30/2002

| | | | |
|----------------------|-------|-------------------------|-------|
| Microsoft Corp. | 2.54% | Citigroup Inc. | 1.71% |
| General Electric Co. | 2.48% | American Int'l Group | 1.53% |
| Exxon Mobil Corp. | 2.38% | Johnson & Johnson | 1.35% |
| Wal-Mart Store Inc. | 2.10% | The Coca-Cola Co. | 1.19% |
| Pfizer Inc. | 1.87% | Int'l Business Machines | 1.06% |

Non-U.S. Equity

About 88 percent of the non-U.S. equity portfolio is invested in the developed markets with the remaining portion invested in the emerging markets. Portfolios are managed by external managers employing a combination of both active and passive management strategies.

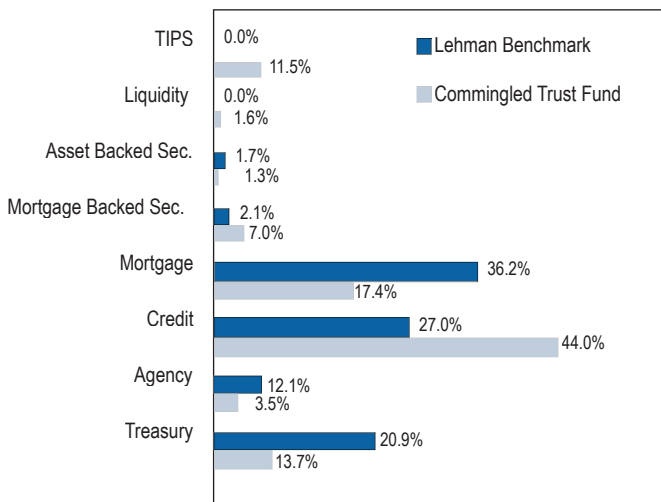
Retirement Fund's Ten Largest Exposures by Country as of 6/30/2002

| | | | |
|---|-------|-------------|------|
| United Kingdom | 21.8% | Netherlands | 4.9% |
| Japan | 16.0% | Australia | 4.5% |
| France | 8.4% | Italy | 3.1% |
| Switzerland | 6.8% | Spain | 3.1% |
| Germany | 6.3% | Canada | 3.0% |
| Invested in a total of 63 countries – 22 developed, 24 emerging, and 17 other*. | | | |
| *As defined by MSCI AWCI Free ex-U.S. | | | |

Fixed Income

The Fixed Income portfolio is internally managed by SIB staff with the Lehman Aggregate Bond Index as the performance benchmark. The management strategy is primarily one of sector selection. The portfolio is structured to be over- or under-weighted relative to the index's major sectors: treasuries, agencies, corporates, mortgage backed securities and asset backed securities. The duration of the portfolio is slightly over 8 percent longer than that of the Lehman Aggregate Index.

Retirement Fund's Fixed Income Sector Distribution as of 6/30/2002



Private Equity

The private equity portfolio, originated in 1981, is primarily invested in partnerships that acquire or create ongoing businesses or operating companies. The SIB has investments in all stages of the business life cycle, from private start-up technology companies to large multinational public concerns. These are long-term investments, typically 10 to 12 years in life. They are expected to generate investment return well in excess of public equity securities. Approximately 13 percent of this portfolio is invested in international private equity, primarily in Europe.

Real Estate

The Real Estate portfolio is invested in a diversified group of properties including office buildings, retail facilities, apartments, warehouses and specialty properties. The majority of these investments have been made in partnerships with operating management groups. The SIB invests in real estate both in the United States and internationally.

Portfolio Holdings

A complete list of portfolio holdings is available by contacting:

Washington State Investment Board
 2424 Heritage Court SW
 P.O. Box 40916
 Olympia WA 98504-0916
 (360) 664-8900

Summary of Investment Policies

The State Investment Board (SIB) has been authorized by statute as having the investment management responsibility for the pension funds. The SIB manages retirement fund assets to maximize return at a prudent level of risk (RCW 43.33A.110).

Retirement Fund Asset Allocation

SIB establishes asset allocation targets that must be considered at all times when making investment decisions. The asset mix may deviate from the target. Deviations greater than predetermined acceptable levels require rebalancing back to the target. When an asset class exceeds its range, the goal of rebalancing will be to meet the target allocation within consideration of the other remaining asset classes.

Retirement funds are invested in the Commingled Trust Funds (CTF). The CTF's performance benchmark objective is to exceed the return of a policy benchmark consisting of public market indices weighted according to asset allocation targets. The asset allocation for the CTF is formally reviewed every three or four years. SIB reviews the asset allocation in relation to the established ranges on a monthly basis.

Public Market Equity

The Public Markets equity program seeks to:

- Achieve the highest return possible consistent with the desire to control asset volatility;
- Ensure protection for long-term liabilities, since shorter term liabilities are more suitably protected by lower volatility instruments such as fixed income securities; and
- Provide diversification to the SIB's overall investment program.

The public markets equity portion of the retirement fund includes strategies in the U.S., developed international, and emerging markets. Since the U.S. equity markets are generally efficient, the domestic equity portfolio is entirely

(100 percent) passively managed. Over time, the domestic equity portfolio should closely track the return of a broad U.S. market benchmark, such as the Wilshire 5000 Index. Non-U.S. markets are generally less efficient than the U.S. market; therefore, more active management will be included in the approach taken with international markets. The weightings of the elements of the developed markets and emerging markets of the non-U.S. equity program will be similar to the weightings of the MSCI All Country World Free ex. U.S., which will also serve as the benchmark for the SIB's entire non-U.S. program.

Fixed Income

The SIB's fixed income investments are to be actively managed to exceed the return of the Lehman Aggregate Bond Index, with volatility similar to or less than the index. The portfolio constraints are that no corporate fixed income issue shall exceed 3% of cost at the time of purchase or 6% of market value thereafter of the fund, and no high yield issues shall exceed 1% of cost or 2% of market value of the fund.

Permissible fixed income market segments include: U.S. Treasuries and government agencies, treasury inflation protection securities, investment-grade credit bonds, high yield bonds, publicly traded mortgage-backed securities, commercial mortgage-backed securities, privately placed mortgages, private placements of corporate debt, asset-backed securities, convertible securities, non-dollar bonds, real estate mortgages, and Washington State Housing Finance Commission (HFC) taxable municipal bonds up to a total of \$25 million with a maximum of \$10 million per year. Other fixed income segments and instruments may be added from time to time as they are developed or deemed appropriate.

Private Equity Investing

The SIB can invest in any appropriate private equity investment opportunity which has the potential for returns superior

to traditional investment opportunities and which is not prohibited by the SIB's policies or by law. As previously indicated, these investment types are divided into venture capital investments, corporate finance (including leveraged, management and employee buyouts), distressed, international, and mezzanine investments. Private equity investments are made through limited partnership vehicles.

To meet the return and plan objectives, the private equity portfolio has diversified investments in companies in a variety of stages of growth. The portfolio also includes a broad cross-section of opportunities in different industries, and geographic regions.

Real Estate Program

The SIB's real estate program is an externally managed pool of select partnership investments, intended to provide alternative portfolio characteristics when compared to traditional stock and bond investments. The majority of the SIB's partnerships invest in institutional-quality real estate assets that are leased to third parties. The combination of income generated from bond-like lease payments, coupled with the hard asset qualities of commercial real estate, combine to generate returns that are expected to fall between the return expectations for fixed income and equities. The real estate portfolio is managed to

deliver risk-adjusted returns that are consistent with the SIB's long term return expectations for the asset class. The SIB's real estate partnerships typically invest in private real estate assets that are held for long term income and appreciation. Many of the SIB's investment partnerships do not involve co-investment with other financial entities, thereby providing the SIB with control provisions related to liquidation, acquisition, and ongoing operational decisions like annual capital expenditures.

Volatility within the real estate portfolio is minimized through a combination of factors. First, the majority of the SIB's partners own commercial real estate assets in a private investment form which are not subject to public market volatility. Second, real estate capital is diversified among a host of partners with varying investment styles. Third, partnership assets are invested in numerous economic regions, including international markets, and in various property types. Fourth, SIB partners invest at different points within the asset's capital structure and life cycle.

The SIB's current return objective for real estate calls for a target benchmark of one to three percent above the NCREIF index.

**Schedule of Investment Management Fees and Commissions
For the Year Ended June 30, 2002**

| | Assets Under Management | Total Fees and Commissions Expenses at 6/30/02 |
|--|-------------------------------|---|
| Public Equity Securities: | | |
| Passive Equity Managers | \$ 12,943,053,758 | \$ 415,952 |
| International Active Equity Managers | 253,146,864 | 11,323,736 |
| International Passive Equity Managers | 3,242,998,994 | 2,122,114 |
| Equity Commissions Paid | 4,086,300,864 | 7,093,115 |
| Fixed Income Securities: | | |
| Commercial Mortgages | 459,868,270 | 132,180 |
| Alternative Investments: | | |
| Private Equity | 5,358,000,358 | 15,336,126 |
| Real Estate | 3,516,391,306 | - |
| Other Fees: | | |
| Consultants and Advisors | - | 1,772,773 |
| Custodians | - | 943,590 |
| Legal Fees | - | 207,731 |
| Securities Lending Fees | - | 7,337,144 |
| Securities Lending Broker Rebates Paid | - | 41,421,177 |
| PERS Plan 3 Management Fees | 11,403,044 | 2,699 |
| SERS Plan 3 Management Fees | 142,109,809 | 227,874 |
| TRS Plan 3 Management Fees | 781,663,088 | 1,280,750 |
| Deferred Compensation Management Fees | 1,352,908,598 | 1,819,024 |
| WSIB Operating Costs | - | 4,699,376 |
| OST Operating Costs | - | 72,679 |
| Total | \$ 32,147,844,953 | \$ 96,208,040 |

Broker Equity Volume and Equity Commissions Paid For the Year Ended June 30, 2002 (page 1 of 5)

| Dealer | Equity | | | | Fixed Income | |
|-------------------------------|-------------------|-------------------------|-------------|-----------------------|-----------------------------|------------------------------|
| | Volume Transacted | Number of Shares Traded | Commissions | Commissions Per Share | Long-Term Volume Transacted | Short-Term Volume Transacted |
| ABD SECURITIES | \$ 5,564,075 | 470,985 | \$ 13,864 | \$ 0.03 | \$ - | \$ - |
| ABG | 9,293,672 | 474,576 | 27,620 | 0.06 | - | - |
| ABN AMRO BANK NV | 1,964,331 | 143,019,175 | 7,361 | - | 49,765,538 | - |
| ABN AMRO SECURITIES | 27,315,610 | 145,638,738 | 67,095 | - | 24,733,058 | - |
| ACCIONES Y VALORES | 138,970 | 42,091 | 488 | 0.01 | - | - |
| ALEX. BROWN & SONS | 14,573,306 | 439,564 | 1,953 | - | - | - |
| ALPHA BROKERAGE AE | 566,312 | 36,306 | 1,974 | 0.05 | - | - |
| ALPHA MGMT | 2,201,457 | 66,429 | 3,775 | 0.06 | - | - |
| AMADON CORPORATION | 3,884,120 | 208,362 | 8,655 | 0.04 | - | - |
| ANDERSON & STRUDWICK, IND. | 3,246,309 | 127,361 | 6,348 | 0.05 | - | - |
| ARNHOLD | 880,534 | 134,653 | 658 | - | - | - |
| AUERBACH GRAYSON | 6,508,436 | 2,293,806 | 16,845 | 0.01 | - | - |
| AVALON RESEARCH GROUP | 1,211,865 | 178,864 | - | - | - | - |
| B-TRADE SERVICES LLC | 1,941,021 | 63,536 | 2,832 | 0.04 | - | - |
| BA SECURITIES INC | 725,262 | 25,412 | - | - | - | - |
| BANC OF AM SEC LLC | 8,916,528 | 656,406 | 7,049 | 0.01 | - | - |
| BANCBOSTON ROBERTSON STEPHENS | 973,056 | 125,429 | 1,970 | 0.02 | - | - |
| BANCO SANTANDER DE NEGOCIOS | 1,409,272 | 535,817 | 4,918 | 0.01 | - | - |
| BANK AM BELLEVUE ZURICH | 1,318,075 | 12,777 | 2,792 | 0.22 | - | - |
| BANK J.VONTOBEL | 8,432,018 | 349,882 | 25,273 | 0.07 | - | - |
| BANK JULIUS | 412,460 | 10,443 | 824 | 0.08 | - | - |
| BANK OF AMERICA | 1,527,996 | 93,559 | 3,819 | 0.04 | 101,271,040 | - |
| BANK OF IRELAND | 68,019 | 202,701 | - | - | - | - |
| BANK OF NEW YORK | 62,227 | 46,081 | - | - | - | - |
| BANQUE NATIONAL DE PARIS | 426,782 | 57,442 | 977 | 0.02 | - | - |
| BARCLAYS AMERICAN CORP | - | - | - | - | 276,394,939 | - |
| BARCLAYS BANK | 69,820 | 5,894 | - | - | 398,308,408 | - |
| BARCLAYS TRUST & BANKING CO | - | - | - | - | 102,203 | - |
| BARING SECURITIES | 16,384,572 | 1,486,659 | 30,813 | 0.02 | - | - |
| BARNARD JA | 1,288,346 | 180,335 | 3,860 | 0.02 | - | - |
| BBV SECURITIES INC | 345,555 | 10,504 | 1,040 | 0.10 | - | - |
| BEAR, STEARNS & CO. | 45,142,640 | 6,086,206 | 93,099 | 0.02 | 244,403,632 | - |
| BERNSTEIN SANFORD | 2,417,083 | 920,126 | 6,995 | 0.01 | - | - |
| BESTINVER S.A. S.V.B. | 1,972,194 | 106,347 | 5,920 | 0.06 | - | - |
| BHF SECURITIES | 6,765,997 | 174,655 | 9,367 | 0.05 | - | - |
| BLOOMBERG TRADEBOOK | 3,410,689 | 405,854 | 3,407 | 0.01 | - | - |
| BNP CAP | 99,051 | 7,580 | 248 | 0.03 | - | - |
| BNP PARIBA | 603,403 | 21,943 | 1,508 | 0.07 | - | - |
| BNP SECURITIES | 2,458,458 | 157,294 | 5,619 | 0.04 | - | - |
| BROCKHOUSE & COOPER | 12,393,095 | 1,193,700 | 25,928 | 0.02 | - | - |
| BROWN (ALEX) & SONS INC. | 7,287,088 | 377,993 | 4,870 | 0.01 | - | - |
| BROWN BROS. HARRIMAN | 295,031 | 18,951 | 758 | 0.04 | - | - |
| BSN SCIEDAD DE VALORES | 1,893,097 | 161,359 | 4,721 | 0.03 | - | - |
| BUNTING WARBURG INC | 5,768,484 | 248,060 | 3,374 | 0.01 | - | - |
| BURNS FRY & TIMMINS | 1,193,665 | 47,378 | 2,168 | 0.05 | - | - |
| C.S.F.B. | 1,655,758 | 378,140 | 2,021 | 0.01 | 31,597,191 | - |
| CABOTO | 1,599,825 | 941,471 | 3,982 | - | - | - |
| CANADIAN I | 3,754,676 | 182,429 | 3,013 | 0.02 | - | - |
| CANTOR FITZGERALD | 4,058,403 | 126,474 | 5,201 | 0.04 | - | - |
| CAPEL, JAMES | 5,557,713 | 528,097 | 12,646 | 0.02 | - | - |
| CARNEGIE FONDKOMMISSION | 14,996,935 | 872,379 | 44,366 | 0.05 | - | - |

**Broker Equity Volume and Equity Commissions Paid
For the Year Ended June 30, 2002 (page 2 of 5)**

| Dealer | Equity | | | | Fixed Income | |
|--------------------------------|-------------------|-------------------------|-------------|-----------------------|-----------------------------|------------------------------|
| | Volume Transacted | Number of Shares Traded | Commissions | Commissions Per Share | Long-Term Volume Transacted | Short-Term Volume Transacted |
| CAZENOVE & CO. | 21,022,081 | 4,717,478 | 47,736 | 0.01 | - | - |
| CDC BOURSE | 114,125 | 1,526 | 286 | 0.19 | - | - |
| CDC MARCHE | 388,754 | 5,685 | 969 | 0.17 | - | - |
| CDC SECURITIES | 950,728 | 17,660 | 2,403 | 0.14 | - | - |
| CHARTERHOUSE TILNEY | 265,732 | 39,385 | 533 | 0.01 | - | - |
| CHASE MANHATTAN BANK | 2,953,943 | 163,977 | 7,371 | 0.04 | - | - |
| CHEUVREUX | 770,971 | 68,191 | 2,119 | 0.03 | - | - |
| CHEVEAUX,J. PARIS | 28,223,160 | 1,116,772 | 66,533 | 0.06 | - | - |
| CHEVREUX DE VIRIEU | 1,730,916 | 70,119 | 4,567 | 0.07 | - | - |
| CIBC WORL MARKETS CORP | 20,354 | 1,197 | - | - | - | - |
| CIBC/WOOD GUNDY | 233,225 | 15,261 | 494 | 0.03 | - | - |
| CITATION GROUP | 4,882,976 | 315,486 | 11,830 | 0.04 | - | - |
| CITIBANK | 2,031,036 | 144,627 | 4,064 | 0.03 | - | - |
| CL GLAZER INC. | 1,423,810 | 80,293 | 3,602 | 0.04 | - | - |
| COMMERZ SE | 381,014 | 10,473 | 950 | 0.09 | - | - |
| COMMERZBANK AG | 18,695,224 | 1,907,953 | 39,803 | 0.02 | - | - |
| COWEN & CO. | 90,155 | 3,890 | 170 | 0.04 | - | - |
| CREDIT AGR | 10,129,022 | 484,385 | 25,342 | 0.05 | - | - |
| CREDIT LYONNAISE | 20,095,892 | 4,917,060 | 43,703 | 0.01 | - | - |
| CREDIT SUISSE | 5,287,678 | 381,615 | 15,202 | 0.04 | - | - |
| CREDIT SUISSE FIRST BOSTON LTD | 59,292,725 | 10,439,390 | 134,737 | 0.01 | - | - |
| CS FIRST BOSTON | 346,854 | 51,198 | 695 | 0.01 | 248,129,879 | - |
| DAIN BOSWORTH INC | 455,784 | 91,450 | - | - | - | - |
| DAIWA SEC. AMERICA | 27,817,625 | 1,180,431 | 55,112 | 0.05 | - | - |
| DAVY STOCKBROKERS | 1,103,098 | 94,269 | 2,759 | 0.03 | - | - |
| DEUTCHE WESTMINSTER BANK | 317,106 | 1,795 | 949 | 0.53 | - | - |
| DEUTSCHE | 4,909,752 | 188,813 | 14,698 | 0.08 | 97,663,545 | - |
| DEUTSCHE BANK AG/LONDON | 2,840,151 | 509,512 | 6,063 | 0.01 | - | - |
| DEUTSCHE BANK CAPITAL | 3,920,844 | 577,889 | 9,683 | 0.02 | - | - |
| DEUTSCHE BANK GOVT SEC INC | 82,838,517 | 11,717,329 | 182,332 | 0.02 | - | - |
| DEUTSCHE BANK SECS | 83,073,730 | 7,873,675 | 183,566 | 0.02 | - | - |
| DEUTSCHE MORGAN GREINFELL | 591,781 | 27,806 | 1,494 | 0.05 | - | - |
| DEUTSCHE SECS | 3,196,333 | 710,923 | 11,706 | 0.02 | - | - |
| DMG AND PARTNERS SECURITIES | 790,702 | 112,709 | 3,176 | 0.03 | - | - |
| DRESDNER BANK | 583,692 | 183,925 | 1,327 | 0.01 | - | - |
| DRESDNER K | 32,342,256 | 3,055,672 | 77,819 | 0.03 | - | - |
| DRESDNER SEC (USA) INC | 270,045 | 1,646 | 812 | 0.49 | - | - |
| ECONO TRADING | 897,506 | 30,621 | 384 | 0.01 | - | - |
| ENSKILDA SECURITIES | 2,472,290 | 52,365 | 6,196 | 0.12 | - | - |
| EUROMOBILIARE | 1,650,733 | 393,086 | 4,127 | 0.01 | - | - |
| EXANE | 11,005,301 | 633,381 | 30,645 | 0.05 | - | - |
| EXECUTION SERVICES INC | 18,528,010 | 1,325,347 | 33,595 | 0.03 | - | - |
| FAULKNER DAWKINS AND SULLIVAN | 439,587 | 37,287 | 1,096 | 0.03 | - | - |
| FHLMC | - | - | - | - | 141,664,905 | - |
| FIRST BOSTON CORPORATION | 192,228,109 | 100,701,336 | 429,886 | - | - | - |
| FIRST MARATHON SEC., LTD | 196,280 | 7,281 | 364 | 0.05 | - | - |
| FIRST PACIFIC | 827,718 | 250,037 | 3,273 | 0.01 | - | - |
| FIRST UNION CAP MKTS | - | - | - | - | 18,444,702 | - |
| FLEMING (ROBERT) INC | 6,800,119 | 511,480 | 13,228 | 0.03 | - | - |
| FORTIS BAN | 8,243,928 | 529,035 | 20,610 | 0.04 | - | - |
| FORTIS INVESTMENT | 59,061 | 2,194 | 148 | 0.07 | - | - |
| FORTIS SEC | 2,185,497 | 141,359 | 5,466 | 0.04 | - | - |

Broker Equity Volume and Equity Commissions Paid For the Year Ended June 30, 2002 (page 3 of 5)

| Dealer | Equity | | | | Fixed Income | |
|---------------------------------|-------------------|-------------------------|-------------|-----------------------|-----------------------------|------------------------------|
| | Volume Transacted | Number of Shares Traded | Commissions | Commissions Per Share | Long-Term Volume Transacted | Short-Term Volume Transacted |
| FOX PITT KELTON | 12,243,445 | 587,862 | 28,698 | 0.05 | - | - |
| FRANK RUSSELL | 67,672,477 | 4,107,563 | 121,750 | 0.03 | - | - |
| GEORGE ELKINS CO | 43,085 | 1,396 | 46 | 0.03 | - | - |
| GLOBAL EXECUTION NETWORK ASSOC | 227,199 | 24,337 | 227 | 0.01 | - | - |
| GOLDMAN, SACHS & CO. | 339,498,361 | 32,906,459 | 732,326 | 0.02 | 584,312,067 | - |
| GOODBODY STOCKBROKERS | 2,914,833 | 213,050 | 5,824 | 0.03 | - | - |
| GREENWICH CAPITAL | - | - | - | - | 24,444,740 | - |
| GRIFFITHS MCBURNEY | 5,721,051 | 233,797 | 7,872 | 0.03 | - | - |
| HANDELSBA | 144,120 | 4,289 | 359 | 0.08 | - | - |
| HOWARD WEIL | 423,705 | 16,458 | 823 | 0.05 | - | - |
| HSBC INVESTMENT BANK PLC | 6,628,470 | 2,193,041 | 18,316 | 0.01 | - | - |
| HSBC SECURITIES | 82,838,751 | 14,983,764 | 177,003 | 0.01 | - | - |
| IMPERIAL B | 113,931 | 3,430 | 274 | 0.08 | - | - |
| INDEPENDENT BROKER + DEALERS A | 140,329 | 21,943 | - | - | - | - |
| INDOSUEZ | 582,522 | 22,941 | 1,163 | 0.05 | - | - |
| INDOSUEZ WI CARR SECURITIES LTD | 5,735,213 | 404,868 | 10,574 | 0.03 | - | - |
| ING BARING | 6,639,921 | 828,430 | 14,401 | 0.02 | - | - |
| ING SECURITIES | 2,426,420 | 109,615 | 4,040 | 0.04 | - | - |
| INSTINET | 14,611,495 | 1,234,968 | 27,675 | 0.02 | - | - |
| INTERMOBILIARE SEC. | 7,817,937 | 1,507,751 | 24,183 | 0.02 | - | - |
| INTERMONTE | 13,961,228 | 2,759,081 | 39,927 | 0.01 | - | - |
| INVESTMENT TECHNOLOGY CORP | 1,620,798 | 217,050 | 2,020 | 0.01 | - | - |
| ITG - POSIT | 936,087 | 152,407 | 934 | 0.01 | - | - |
| ITG INC | 2,118,005 | 227,912 | 2,738 | 0.01 | - | - |
| ITGL | 131,524 | 70,817 | 131 | - | - | - |
| J CHEUVREAU | 638,955 | 52,006 | 1,920 | 0.04 | - | - |
| J P MORGAN & CO | 55,418,297 | 2,737,500 | 128,934 | 0.05 | 1,089,506,146 | - |
| J&E DAVY | 4,682,383 | 283,668 | 7,692 | 0.03 | - | - |
| J.B. WERE & SON | 22,659,391 | 8,446,343 | 76,375 | 0.01 | - | - |
| J.P. MORGAN SECURITIES INC | 77,699,568 | 6,942,500 | 146,359 | 0.02 | - | - |
| JAMES CAPE | 10,364,219 | 715,478 | 27,755 | 0.04 | - | - |
| JEFFERIES & CO | 345,015 | 22,143 | 886 | 0.04 | - | - |
| JP MORGAN STERLING SECS | 1,665,790 | 124,678 | 833 | 0.01 | - | - |
| JULIUS BAER | 10,100,931 | 925,911 | 25,412 | 0.03 | - | - |
| KELLNER DILEO & CO | 19,860 | 3,591 | 50 | 0.01 | - | - |
| KLEINWORTH BENSON INC | 7,555,641 | 1,721,029 | 18,552 | 0.01 | - | - |
| KNIGHT SEC | 501,028 | 112,301 | 3,278 | 0.03 | - | - |
| KOKUSAI | 497,333 | 4,987 | 745 | 0.15 | - | - |
| LATINVEST | 2,420,845 | 172,455 | 6,037 | 0.04 | - | - |
| LEHMAN BROTHERS | 121,235,956 | 7,486,667 | 250,603 | 0.03 | 862,577,270 | - |
| LOMBARD ODIER + CIE | 932,722 | 27,165 | 1,863 | 0.07 | - | - |
| LORRAINE L BLAIR INC | 57,379,016 | 4,632,651 | 113,444 | 0.02 | - | - |
| MACQUARIE EQUITIES | 4,426,026 | 546,989 | 12,633 | 0.02 | - | - |
| MALONEY & CO | 2,891,585 | 216,616 | 6,258 | 0.03 | - | - |
| MCDONALD & COMPANY | 4,672 | 12,967 | 519 | 0.04 | 18,863,388 | - |
| MERRIL-PERFORMANCE MEASURE | 92,930,184 | 4,648,318 | 170,785 | 0.04 | - | - |
| MERRILL LYNCH INTERNATIONAL | 42,152,790 | 6,227,012 | 108,210 | 0.02 | - | - |
| MERRILL LYNCH, P F & S | 246,766,091 | 30,074,593 | 577,696 | 0.02 | 179,272,905 | - |
| METZLER SE | 3,361,433 | 232,899 | 8,418 | 0.04 | - | - |
| MIDLAND | 348,417 | 292,149 | 923 | - | - | - |

**Broker Equity Volume and Equity Commissions Paid
For the Year Ended June 30, 2002 (page 4 of 5)**

| Dealer | Equity | | | | Fixed Income | |
|--------------------------------|-------------------|-------------------------|-------------|-----------------------|-----------------------------|------------------------------|
| | Volume Transacted | Number of Shares Traded | Commissions | Commissions Per Share | Long-Term Volume Transacted | Short-Term Volume Transacted |
| MIZUHO | 9,486,967 | 292,755 | 13,263 | 0.05 | - | - |
| MONTGOMERY SECURITIES | 14,790,632 | 633,085 | 18,300 | 0.03 | - | - |
| MORGAN GRENFELL | 1,060,207 | 560,554 | 3,184 | 0.01 | - | - |
| MORGAN J P & CO | 422,390 | 81,290 | 715 | 0.01 | - | - |
| MORGAN STANLEY & CO. | 365,410,629 | 31,354,416 | 673,555 | 0.02 | 550,320,867 | - |
| NATIONAL BANK OF CANADA | 358,817 | 10,772 | 408 | 0.04 | - | - |
| NATIONS BANK | 1,780,716 | 117,397 | 3,912 | 0.03 | - | - |
| NBC INTERNATIONAL USA LIMITED | 221,492 | 24,736 | 955 | 0.04 | - | - |
| NCB STOCKBROKERS | 3,291,814 | 314,389 | 6,232 | 0.02 | - | - |
| NESBITT BURNS | 2,108,311 | 131,960 | 4,507 | 0.03 | - | - |
| NEW ZURICH | 7,463,715 | 121,007 | 22,292 | 0.18 | - | - |
| NOMURA AGENCY PLC | 275,003 | 3,391 | 466 | 0.14 | - | - |
| NOMURA BANK | 1,045,760 | 26,831 | 2,046 | 0.08 | - | - |
| NOMURA SECURITIES INTL | 42,903,549 | 1,898,996 | 78,661 | 0.04 | - | - |
| NORTHERN TRUST CO | 357,025 | 140,936 | - | - | - | - |
| NORTHERN TRUST INTERNATIONAL B | 453,414 | 11,670 | - | - | - | - |
| NSI SECURITIES INC | 275,221 | 18,951 | 232 | 0.01 | - | - |
| ODDO DESACHE' PARIS | 18,790 | 1,496 | 47 | 0.03 | - | - |
| ODDO FINANCE | 5,737,160 | 167,767 | 14,367 | 0.09 | - | - |
| OPPENHEIMER & CO. | 4,098,404 | 244,370 | 4,338 | 0.02 | - | - |
| PANMURE GORDON | 8,523,344 | 562,558 | 22,320 | 0.04 | - | - |
| PARIBAS CO | 14,442,718 | 1,321,191 | 37,206 | 0.03 | - | - |
| PEEL HUNT & CO LTD | 1,586,585 | 205,270 | 3,170 | 0.02 | - | - |
| PERSHING | 405,869 | 25,235 | 1,009 | 0.04 | - | - |
| RABO SECURITIES NV | 5,752,871 | 182,529 | 14,383 | 0.08 | - | - |
| RAYMOND JAMES & ASSOCIATES | 1,086,989 | 29,125 | 1,456 | 0.05 | - | - |
| RBC DOMINION SECURITIES | 12,915,754 | 473,727 | 9,458 | 0.02 | - | - |
| ROBERT FLEMING | 149,526 | 12,967 | 298 | 0.02 | - | - |
| ROBERTSON STEPHENS | 6,907,236 | 257,017 | - | - | - | - |
| ROYAL BANK OF CANADA | 148,505 | 6,683 | 255 | 0.04 | - | - |
| ROYAL TRUST CO OF CANADA | 2,446,373 | 419,318 | - | - | - | - |
| SALOMON BROTHERS | 228,516,705 | 29,474,809 | 451,345 | 0.02 | 369,620,015 | - |
| SALOMON, SMITH BARNEY | 15,647,064 | 726,173 | 25,472 | 0.04 | 550,878,376 | - |
| SANFORD BERNSTEIN | 8,097,628 | 662,142 | 19,244 | 0.03 | - | - |
| SANTANDER INVESTMENT SEC'S. | 1,428,663 | 114,782 | 3,563 | 0.03 | 3,909,911 | - |
| SBC WARBURG | 4,478,279 | 968,099 | 13,424 | 0.01 | - | - |
| SCOTIA MCLEOD | 65,048 | 2,095 | 70 | 0.03 | - | - |
| SEGA SYSTEMS | 1,404,432 | 17,854 | 4,226 | 0.24 | - | - |
| SG COWEN SECURITIES CORP | 19,330 | 16,956 | - | - | - | - |
| SG SECURITIES | 7,187,233 | 269,006 | 17,405 | 0.06 | - | - |
| SHEARSON LEHAMN BROS., INC. | 222,451 | 29,424 | - | - | - | - |
| SIMMONS & COMPANY | 57,234 | 2,394 | 120 | 0.05 | - | - |
| SKANDINAVISKA ENSKILDA | 7,613,823 | 640,467 | 19,020 | 0.03 | - | - |
| SMITH BARNEY & COMPANY | 766,620 | 44,025 | - | - | - | - |
| SOCIETE FI | 203,874 | 14,163 | 613 | 0.04 | - | - |
| SOCIETE GENERAL | 25,777,691 | 2,779,118 | 32,326 | 0.01 | - | - |
| SOUNDVIEW | 2,677,825 | 293,243 | 11,730 | 0.04 | - | - |
| SPEAR LEEDS & KELLOGG | 13,680,378 | 738,832 | 6,749 | 0.01 | - | - |
| SSANGYONG INVESTMENTS | 17,088,615 | 400,746 | 4,449 | 0.01 | - | - |
| SSGA | 626,881,666 | 5,885,016 | 3,721 | - | - | - |
| STATE ST BK & TRUST | - | - | - | - | - | 1,607,271,366 |

Broker Equity Volume and Equity Commissions Paid For the Year Ended June 30, 2002 (page 5 of 5)

| Dealer | Equity | | | | Fixed Income | |
|--------------------------------|------------------------|-------------------------|---------------------|-----------------------|-----------------------------|------------------------------|
| | Volume Transacted | Number of Shares Traded | Commissions | Commissions Per Share | Long-Term Volume Transacted | Short-Term Volume Transacted |
| STATE STREET BROKERAGE SERVICE | 74,024 | 4,987 | 147 | 0.03 | - | - |
| SVENSKA HANDELSBANKEN | 1,917,413 | 81,839 | 4,794 | 0.06 | - | - |
| SWISS BANK | 57,965,417 | 3,863,198 | 104,031 | 0.03 | - | - |
| THAMESWAY SECS | 49,539 | 12,248 | 102 | 0.01 | - | - |
| THOMAS C BOWLES & CO | 1,040,595 | 44,386 | 1,775 | 0.04 | - | - |
| THOMAS WEISEL PARTNERS | 2,329,292 | 288,117 | 4,908 | 0.02 | - | - |
| TIR SECURITIES | 4,640,224 | 248,060 | 9,634 | 0.04 | - | - |
| TOKYO MITSUBISHI INTL. | 958,649 | 95,753 | 1,913 | 0.02 | - | - |
| TORONTO DOMINION SEC INC | 70,000 | 7,381 | 186 | 0.03 | - | - |
| U.S. CLEARING | 828,680 | 32,017 | 1,601 | 0.05 | - | - |
| UBS SECURITIES | 75,626,148 | 7,313,550 | 166,910 | 0.02 | 434,140,000 | - |
| UBS WARBURG | 1,987,075 | 419,177 | 3,672 | 0.01 | 505,705,479 | - |
| UBS-DB CORPORATION | 39,734,542 | 3,511,552 | 70,337 | 0.02 | - | - |
| UNIBANK | 1,432,130 | 363,662 | 3,571 | 0.01 | - | - |
| UOB SECURITIES PTE LTD | 978,802 | 704,183 | 2,926 | - | - | - |
| UOB KAY HIAN OVERSEAS LTD | 47,211 | 38,900 | 141 | - | - | - |
| UOB KAY HIAN PTE LTD | 208,358 | 172,555 | 623 | - | - | - |
| USCC/SANTANDER | 286,975 | 23,440 | - | - | - | - |
| VONTOBEL | 1,505,845 | 31,045 | 4,329 | 0.14 | - | - |
| WACHOVIA BANK | - | - | - | - | 86,045,082 | - |
| WAGNER STOTT & CO. | 2,352,069 | 209,958 | 2,126 | 0.01 | - | - |
| WARBURG DILLON READ LLC | 97,015,339 | 8,132,582 | 184,209 | 0.02 | - | - |
| WARBURG S.G. | 127,769 | 209 | 307 | 1.47 | - | - |
| WATERHOUSE SECURITIES INC | 1,229,188 | 48,575 | 754 | 0.02 | - | - |
| WEISS | 363,655 | 11,271 | 564 | 0.05 | - | - |
| WEST DEUTSCHE LANDESBANK | 37,261,270 | 2,521,305 | 41,367 | 0.02 | - | - |
| WEST LB PAMURE LTD | 2,686,118 | 105,428 | 6,436 | 0.06 | - | - |
| WEST LB SECURITIES | 4,023,571 | 181,133 | 9,988 | 0.06 | - | - |
| WILSHIRE/SPRING | 2,490,667 | 6,001 | - | - | - | - |
| YAMATANE | 420,437 | 28,925 | 630 | 0.02 | - | - |
| YORKTON SECURITIES INC | 124,557 | 7,780 | 253 | 0.03 | - | - |
| YORKTOWN SECURITIES INC | 1,190,143 | 39,897 | 1,248 | 0.03 | - | - |
| Total | \$4,075,784,323 | 716,623,189 | \$ 7,093,115 | \$ 0.01 | \$6,892,075,286 | \$1,607,271,366 |

Source: Washington State Investment Board

Summary of Investments Owned on June 30, 2002
Pension Trust Funds (page 1 of 6)

| Description | Total Market Value | Percent of Total Market Value |
|---|--------------------|-------------------------------|
| INVESTMENTS | | |
| Currencies | | |
| E.M.U.-Euro | \$ 4,678,596 | 0.01% |
| Britain-Pound | 2,633,649 | 0.01% |
| Australia-Dollar | 1,167,877 | -- |
| New Zealand-Dollar | 1,075,524 | -- |
| Japan-Yen | 979,699 | -- |
| United States-Dollar | 717,944 | -- |
| Switzerland-Franc | 128,635 | -- |
| Singapore-Dollar | 97,207 | -- |
| Canada-Dollar | 28,992 | -- |
| Sweden-Krona | 5,375 | -- |
| Others | 2,887 | -- |
| Total Currencies | 11,516,385 | 0.02% |
| Money Market Funds | | |
| State Street Bank & Trust Co. | 722,632,486 | 1.64% |
| Others | 81,559,285 | 0.18% |
| Total Money Market Funds | 804,191,771 | 1.82% |
| Government Securities-Domestic | | |
| Treasury Inflation IX N/B | 329,251,102 | 0.75% |
| Treasury Inflation IX N/B | 203,049,831 | 0.46% |
| U.S.A. Treasury Bond | 202,252,141 | 0.46% |
| Others | 26,750,670 | 0.06% |
| Total Government Securities-Domestic | 761,303,744 | 1.73% |
| Government Securities-Foreign | | |
| Federal Republic of Brazil | 32,915,071 | 0.07% |
| Republic of Italy | 29,973,484 | 0.07% |
| Mexican United States | 27,927,939 | 0.06% |
| Republic of Argentina | 17,454,962 | 0.04% |
| Federal Republic of Brazil | 12,368,087 | 0.03% |
| Others | 10,472,977 | 0.02% |
| Total Government Securities-Foreign | 131,112,520 | 0.29% |
| Pass Through Mortgages | | |
| FNGT 2000-T5 B | 64,542,518 | 0.15% |
| MSDWC 2001-T1 A4 | 26,653,620 | 0.06% |
| FNMA Pool 252348 | 19,787,274 | 0.04% |
| PNCMA 2000-C1 A2 | 16,746,287 | 0.04% |
| FNMA Dwarf PL 324308 | 13,158,431 | 0.03% |
| PNCMA 2000-C2 A2 | 11,026,158 | 0.03% |
| GNMA PL 346878 | 10,606,696 | 0.02% |
| FHLMC Gold PL C00335 | 10,463,544 | 0.02% |
| GNMA PL 364870 | 8,036,879 | 0.02% |
| FGC 90241 | 7,491,535 | 0.02% |
| Others | 118,016,756 | 0.27% |
| Total Pass Through Mortgages | 306,529,698 | 0.70% |

Summary of Investments Owned on June 30, 2002
Pension Trust Funds (page 2 of 6)

| <u>Description</u> | <u>Total Market Value</u> | <u>Percent of Total Market Value</u> |
|---|---------------------------|--------------------------------------|
| FHA Project/SBA Loans | | |
| Beverly Finance Corp. 144A | \$ 10,682,935 | 0.02% |
| FHA Project-Reilly Mortgage Group #55 | 7,151,973 | 0.02% |
| GNMA 383716 Lowell Emerson Apt. | 4,493,928 | 0.01% |
| Foxcroft Apartments | 3,338,732 | 0.01% |
| Mission Towers | 1,572,583 | -- |
| Sutter Village | 778,187 | -- |
| Auburn Villa | 725,200 | -- |
| Burien Haus | 453,821 | -- |
| Terrace Manor | 124,580 | -- |
| Total FHA Project/SBA Loans | <u>29,321,939</u> | <u>0.06%</u> |
| FHA/VA Residential | | |
| GNMA Pool 458902 | 3,563,811 | 0.01% |
| GNMA Pool 480120 | 2,768,476 | 0.01% |
| GNMA Pool 458909 | 2,515,158 | 0.01% |
| GNMA Pool 404208 | 2,504,216 | 0.01% |
| GNMA Pool 463999 | 2,444,363 | 0.01% |
| GNMA Pool 471774 | 2,127,079 | -- |
| GNMA Pool 471802 | 2,054,085 | -- |
| GNMA Pool 471729 | 1,900,497 | -- |
| GNMA Pool 471803 | 1,618,312 | -- |
| Executive House | 1,715 | -- |
| Others | 1,740 | -- |
| Total FHA/VA Residential | <u>21,499,452</u> | <u>0.05%</u> |
| Conventional Residential Mortgages | | |
| FNMA Pool 252162 | 22,970,959 | 0.05% |
| FNMA | 20,834,780 | 0.05% |
| FNMA Pool 568468 | 16,652,575 | 0.04% |
| FNMA Pool 455600 | 12,253,534 | 0.03% |
| FNMA | 6,610,208 | 0.01% |
| FNMA Pool 571021 | 6,083,017 | 0.01% |
| FNMA Pool 568471 | 4,922,727 | 0.01% |
| FHLMC Gold 1998 PL C00650 | 4,851,741 | 0.01% |
| FNMA | 3,993,776 | 0.01% |
| FNMA Pool 455819 | 3,258,709 | 0.01% |
| Others | 85,155 | -- |
| Total Conventional Residential Mortgages | <u>102,517,181</u> | <u>0.23%</u> |

Summary of Investments Owned on June 30, 2002
Pension Trust Funds (page 3 of 6)

| Description | Total Market Value | Percent of Total Market Value |
|--|----------------------|-------------------------------|
| Collateralized Mortgage Obligations | | |
| Morgan Stanley Cap. 1999 FNV1 A2 | \$ 52,587,197 | 0.12% |
| GECMS 99-15 L (A25) | 51,102,144 | 0.12% |
| CCMSC 1999-2 A2 | 45,459,018 | 0.10% |
| SBM7 2000-C1 A2 | 44,468,515 | 0.10% |
| First Union Lehman Brothers 1998-C2 A2 | 43,857,946 | 0.10% |
| Morgan Stanley Cap. I 1998-HF1 A2 | 43,524,439 | 0.10% |
| FHLMC 1671 G | 42,816,943 | 0.10% |
| Residential Fdg. Mortgage Sec. 1998-S8 | 41,393,195 | 0.09% |
| Com. Mortgage Acpt. Corp. 1999-C1 A2 | 40,534,315 | 0.09% |
| NSCOR 1998-33 A5 | 38,103,120 | 0.09% |
| Others | 1,630,180,900 | 3.70% |
| Total Collateralized Mortgage Obligations | 2,074,027,732 | 4.71% |
| Commercial Paper | | |
| Commercial Paper | 192,618,070 | 0.44% |
| Total Commercial Paper | 192,618,070 | 0.44% |
| Asset Backed Securities | | |
| CIT RV Trust 1997-AA7 ABS | 25,456,653 | 0.06% |
| Homeq 2001-I AH2 | 20,266,479 | 0.05% |
| Funbc 2001-C3 A3 | 19,319,337 | 0.04% |
| NBCMT 1993-2 A | 17,787,551 | 0.04% |
| Standard Credit Card 1995-9A ABS | 16,065,996 | 0.04% |
| Standard Credit Card Master Trust | 13,147,357 | 0.03% |
| Centex Home EQ LN TR 2000-B A6 | 12,352,134 | 0.03% |
| Centex Home EQ LN TR 1998-2 A5 ABS | 11,278,129 | 0.03% |
| FNMA 1995-W1 A7 | 9,907,905 | 0.02% |
| Centex Home EQ LN TR 1998-1 A4 ABS | 9,709,145 | 0.02% |
| Others | 353,129,192 | 0.80% |
| Total Asset Backed Securities | 508,419,878 | 1.16% |
| Corporate Bonds-Domestic | | |
| Albertson's Inc. | 77,073,157 | 0.17% |
| General Motors Acceptance Corp. | 54,437,087 | 0.12% |
| U.S. Bank NA | 52,588,841 | 0.12% |
| Pemex Project | 52,364,886 | 0.12% |
| Washington Mutual Inc. | 50,751,729 | 0.12% |
| Vale Overseas | 46,895,435 | 0.11% |
| Household Finance Corp. | 46,302,262 | 0.11% |
| Utilicorp United | 45,422,458 | 0.10% |
| General Motors Acceptance Corp. | 43,527,057 | 0.10% |
| Deutsche Telecom Financial | 43,366,031 | 0.10% |
| Others | 2,965,874,169 | 6.73% |
| Total Corporate Bonds-Domestic | 3,478,603,112 | 7.90% |

Summary of Investments Owned on June 30, 2002

Pension Trust Funds (page 4 of 6)

| Description | Total Market Value | Percent of Total Market Value |
|--|----------------------|-------------------------------|
| Corporate Bonds-Foreign | | |
| Pemex Finance Ltd. 144A | \$ 47,493,437 | 0.11% |
| Petro Bras Intl. | 44,704,651 | 0.10% |
| Quebec Province CDA | 43,542,349 | 0.10% |
| European Investment Bank | 40,172,273 | 0.09% |
| YPF Sociedad Anonima | 39,621,297 | 0.09% |
| CIA Brasil De Bebidas | 38,542,197 | 0.09% |
| Pemex Finance Ltd. 144A | 38,312,245 | 0.09% |
| CIA Brasil De Bebidas | 37,403,490 | 0.08% |
| Canadian National Railway Co. | 37,382,929 | 0.08% |
| Royal Bank Scotland PLC | 36,209,820 | 0.08% |
| Others | <u>568,225,257</u> | <u>1.29%</u> |
| Total Corporate Bonds-Foreign | <u>971,609,945</u> | <u>2.20%</u> |
| Variable Rate Notes | | |
| Variable Rate Notes | 819,748,707 | 1.86% |
| Total Variable Rate Notes | <u>819,748,707</u> | <u>1.86%</u> |
| Municipal Bonds | | |
| WA State Housing Finance Commission 1997 4T | 5,616,604 | 0.01% |
| WA State Housing Finance Commission 1998 4T | 4,125,577 | 0.01% |
| WA State Housing Finance Commission 1999 1T | 2,702,999 | 0.01% |
| WA State Housing Finance Commission | 1,672,868 | -- |
| WA State Housing Finance -TXB 2000 4T | <u>1,320,487</u> | <u>--</u> |
| Total Municipal Bonds | <u>15,438,535</u> | <u>0.03%</u> |
| Private Equity | | |
| KKR 1996 Fund | 783,944,320 | 1.78% |
| KKR 1987 Fund | 302,620,529 | 0.69% |
| Warburg Pincus Equity Partners, LP | 295,096,287 | 0.67% |
| Fortress Investment Fund LLC | 159,871,877 | 0.36% |
| Joseph Littlejohn Levy Fund III | 125,538,420 | 0.28% |
| OCM Opportunities Fund III, LP | 124,182,926 | 0.28% |
| Warburg Pincus Ventures | 122,151,660 | 0.28% |
| Welsh Carson Anderson Stowe VIII | 104,710,057 | 0.24% |
| Cinven Second Fund | 88,524,095 | 0.20% |
| Welsh Carson Anderson Capital Partners III, LP | 87,637,969 | 0.20% |
| Others | <u>2,917,513,694</u> | <u>6.62%</u> |
| Total Private Equity | <u>5,111,791,834</u> | <u>11.60%</u> |

Summary of Investments Owned on June 30, 2002
Pension Trust Funds (page 5 of 6)

| Description | Total Market Value | Percent of Total Market Value |
|--|---------------------------|--------------------------------------|
| Real Estate | | |
| Principal Enterprise Capital I | \$ 425,951,389 | 0.97% |
| Union Square LP | 392,495,918 | 0.89% |
| Olympia Properties LLC | 381,319,842 | 0.86% |
| Lowe Northwest Investment Properties LLC | 313,198,830 | 0.71% |
| Campbell | 305,494,174 | 0.69% |
| Pactrust Realty Associates LP | 295,552,253 | 0.67% |
| Lonestar Fund III | 286,699,033 | 0.65% |
| European Investment Properties Limited | 198,181,300 | 0.45% |
| Pactrust/WISB-LLC | 184,698,783 | 0.42% |
| MSREF III Intl. TE | 106,315,309 | 0.24% |
| Others | 702,353,912 | 1.59% |
| Total Real Estate | 3,592,260,743 | 8.14% |
| Corporate Stock-Foreign | | |
| Total SA SER B ORD | 71,440,472 | 0.16% |
| Canon Inc. | 40,691,139 | 0.09% |
| Glaxo Smith Kline | 39,050,939 | 0.09% |
| Ing Groep NV | 37,712,044 | 0.09% |
| Nestle SA | 36,910,900 | 0.08% |
| Munchener Ruckvers | 34,340,240 | 0.08% |
| National Australian Bank | 33,491,797 | 0.08% |
| Novartis AG | 31,799,534 | 0.07% |
| Soc Generale | 31,218,378 | 0.07% |
| Lloyds TSB Group | 29,150,858 | 0.07% |
| Others | 1,692,114,622 | 3.83% |
| Total Corporate Stock-Foreign | 2,077,920,923 | 4.71% |
| Commingled Index Funds-Domestic | | |
| BGI US Equity Market | 12,937,365,882 | 29.34% |
| Short Horizon Fund | 2,934,571 | 0.01% |
| Mid Horizon Fund | 2,248,213 | -- |
| Long Horizon Fund | 505,092 | -- |
| Total Commingled Index Funds-Domestic | 12,943,053,758 | 29.35% |
| Commingled Index Funds-Foreign | | |
| MSCI EAFE SL | 2,527,773,866 | 5.73% |
| Canada MSCI Index Fund | 137,085,684 | 0.31% |
| Capital Guardian Growth Fund | 130,637,017 | 0.30% |
| GMO TR | 113,193,599 | 0.26% |
| Foreign Colonial Emerging Market Group TR | 90,718,318 | 0.21% |
| Schroder Emerging | 86,464,233 | 0.20% |
| Putnam International Small Cap. Trans. FD | 42,332,694 | 0.09% |
| South Africa IFC | 17,473,151 | 0.04% |
| Korea Emerging Markets | 15,163,364 | 0.03% |
| Mexico Emerging Markets Index | 15,013,239 | 0.03% |
| Others | 67,143,829 | 0.15% |
| Total Commingled Index Funds-Foreign | 3,242,998,994 | 7.35% |

Summary of Investments Owned on June 30, 2002
Pension Trust Funds (page 6 of 6)

| Description | Total Market Value | Percent of Total Market Value |
|--|--------------------------|-------------------------------|
| Repurchase Agreements | | |
| Morgan Stanley & Company Inc. | \$ 3,559,100 | 0.01% |
| Goldman Sachs & Co. | 2,392,681 | 0.01% |
| Bear Stearns | 1,052,781 | -- |
| Others | 619,961,045 | 1.41% |
| Total Repurchase Agreements | <u>626,965,607</u> | <u>1.43%</u> |
| Securities on Loan | | |
| Securities on Loan-Domestic | 2,525,422,198 | 5.72% |
| Securities on Loan-Foreign | 439,383,849 | 1.00% |
| Total Securities on Loan | <u>2,964,806,047</u> | <u>6.72%</u> |
| Guaranteed Investment Contracts | | |
| Savings Pool | 467,505,741 | 1.06% |
| Total Guaranteed Investment Contracts | <u>467,505,741</u> | <u>1.06%</u> |
| Life | | |
| G.E. Capital Assurance | 26,475 | -- |
| Total Life | <u>26,475</u> | <u>--</u> |
| Mutual Funds | | |
| Fidelity Equity-Income Fund | 319,296,252 | 0.72% |
| Fidelity Independence Fund | 277,121,148 | 0.63% |
| U.S. Stock Market Index Fund | 248,984,998 | 0.56% |
| U.S. Large Stock Index Fund | 202,379,593 | 0.46% |
| Washington State Bond Fund | 176,686,337 | 0.40% |
| Fidelity Growth Company Fund | 137,398,532 | 0.31% |
| U.S. Small Stock Index Fund | 121,093,395 | 0.27% |
| Washington State Money Market Fund | 111,359,303 | 0.26% |
| International Stock Index Fund | 86,260,883 | 0.20% |
| Washington State Short-Horizon Fund | 65,362,618 | 0.15% |
| Others | 83,914,475 | 0.19% |
| Total Mutual Funds | <u>1,829,857,534</u> | <u>4.15%</u> |
| Certificates of Deposit | | |
| Certificates of Deposit | 1,007,652,639 | 2.29% |
| Total Certificates of Deposit | <u>1,007,652,639</u> | <u>2.29%</u> |
| TOTAL INVESTMENTS | <u>\$ 44,093,298,964</u> | <u>100.00%</u> |